

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 2/27/2014

GAIN Report Number: CA14024

Canada

Post: Ottawa

Canadians to Consume More Poultry Meat in 2014

Report Categories:

Poultry and Products

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Report Highlights:

Canadian production of broiler meat is likely to exceed previously estimated levels. Given tight supplies of red meat, chicken farmers operating under the strict supply management regime are expected to boost domestic production and fill in an anticipated gap in the protein market.

BROILER MEAT:

NOTE: "NEW Post" data reflects Post's assessments and are NOT official USDA data.

CANADA Poultry BROILER	2012		2013		2014
	USDA Official Data	NEW Post Data	USDA Official Data	NEW Post Estimates	NEW Post Estimates
Beginning Stocks	32	32	35	35	40
Production	1,038	1,038	1,055	1,057	1,080
Total Imports	137	137	140	143	150
Total Supply	1,207	1,207	1,230	1,235	1,270
Total Exports	140	141	150	150	160
Total Dom. Consumption	1,032	1,031	1,045	1,045	1,065
Ending Stocks	35	35	35	40	45
Total Distribution	1,207	1,207	1,230	1,235	1,270

All data in 1,000 metric tons, carcass weight equivalent

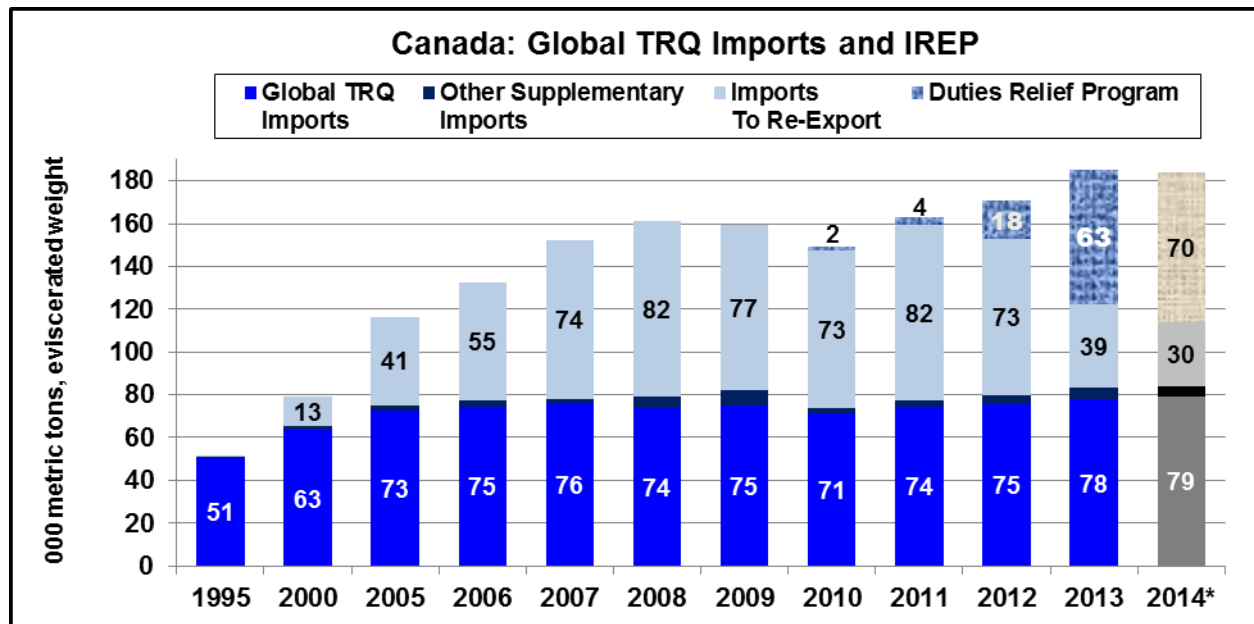
The new Post estimate for Canada's 2014 broiler meat production is 1,080,000 metric tons (MT), or 10,000 MT above the current USDA official estimate. Under the supply management system, chicken farmers are able to adjust production levels in a relatively timely manner in order to respond to market demand. Given the likelihood of a tight supply of beef and pork during the current year, Post believes poultry producers will take advantage of the market situation and boost chicken production volumes to meet an anticipated gap in the protein market. The new estimate for broiler meat production for 2013 is 1,057,000 MT, or 2,000 MT above the earlier estimate.

Domestic consumption of chicken meat has a chance to see a more meaningful increase in 2014. After being stagnant at around 30 kg/person for the past three years, per capita consumption of broiler meat is now estimated to approach 31 kg/person in 2014, similar to the levels reported in 2009 and years prior. That being said, the Canadian market remains a mature one, and possibilities of growth are only marginal.

Imports of broiler meat are now estimated at 150,000 MT for 2014, or 5,000 MT above the official USDA estimate. Exports of broiler meat have also been reassessed higher for 2014, with the new estimate now at 160,000 MT, or 5,000 MT above the official USDA estimate. Both these estimates are reflections of the major drivers behind Canadian trade in chicken meat: under the supply management system, broiler meat imports are controlled and subject to a tariff rate quota (TRQ), which is a function of the production level; in parallel, increased activity under programs that provide a customs duty exemption (imports for re-export) drive up both the chicken imports and the exports volumes.

The year 2013 marked not only an increase in the overall volume of imports under customs duty exemption programs, but also a shift from the traditional program administered by the Department of Foreign Affairs, Trade and Development (DFATD), the Imports to Re-Export Program (IREP), towards the competing program administered by the Canada Border Services Agency (CBSA), namely the Duties Relief Program (DRP). Post currently estimates that over two thirds of Canada's imports for re-

export will be part of CBSA's program in 2014.



Source: DFATD, CBSA, Global Trade Atlas / Post *estimate

Information about the chicken TRQ, other supplementary imports and the process of importing broiler meat into Canada, including IREP, is located on DFATD's web site, at the following [link](#). Details about CBSA's DRP can be found following this [link](#). For more information about the poultry sector in Canada please read our [2013 Poultry Report](#).